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C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000526

SIPDIS

SCA/CEN; EEB
PLEASE PASS TO USTDA DAN STEIN
ENERGY FOR EKIMOFF/THOMPSON
COMMERCE FOR HUEPER

E.O. 12958: DECL: 04/22/2019

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SUBJECT: DAS KROL'S MEETING WITH TURKMENISTAN'S MINISTER OF
ENERGY: FULFILLING THE PRESIDENT'S MANDATE

Classified By: Charge Richard Miles, reasons 1.4 (b) and (d).

11. (C) SUMMARY: In a rather positive April 22 meeting, Deputy Assistant Secretary George Krol met with Turkmen1. (C) SUMMARY: In a rather positive April 22 meeting, Deputy Assistant Secretary George Krol met with Turkmenistan's Minister of Energy and Development, Yarmuhammet Orazgulyev. Orazgulyev responded relatively freely to questions about Turkmenistan's plans to further assist Afghanistan by providing electricity at greatly reduced rates. While the Minister himself was positive about U.S. initiatives on regional energy integration and study tours for Turkmenistan's technical experts, he indicated that these initiatives had been passed to the Cabinet of Ministers for "consideration." END SUMMARY.

12. (SBU) On April 22, the day before the opening of Turkmenistan's energy transit security conference, Deputy Assistant Secretary George Krol met with Turkmenistan's Minister Energy and Development, Yarmuhammet Orazgulyev, to discuss regional electrical power cooperation. DAS Krol began the meeting by outlining four areas of interest to the U.S. side:

- Implementation of the 500KW line to Afghanistan;
- Plans to improve power plants in Turkmenistan;
- Partnership with Turkmenistan and the region in the framework of USAID's REMAP II (Regional Energy Market Assistance Program; and
- The memorandum presented last fall on technical assistance and cooperation.

13. (SBU) Minister Yarmuhammet Orazgulyev noted that the Turkmen are very busy with restructuring Ashgabat's and Turkmenistan's energy grids to make them more modern. In fact, Orazgulyev had to have a stack of maps of Ashgabat's power grid removed from the table before the meeting began. The Minister emphasized throughout the meeting that President Berdimuhammedov has ordered the Ministry to modernize, that

is, to improve efficiency in use of natural gas while increasing output. His Ministry continues to fulfill these requirements.

¶4. (C) On Afghanistan, and more generally on the export of electricity to other countries, the Minister was positive, and outlined a number of plans that are "in the stage of realization" to improve output to Afghanistan. On the recently-agreed power line to Afghanistan, the Minister was especially positive. However, he noted it is a matter of capacity on the Afghan side to take in the electricity, that the Afghans need to construct an adequate high-voltage line to their side of the border. Turkmenistan has a number of options to provide the power, ranging from building one large power plant to building multiple smaller ones that would all feed into this line for Afghanistan. He emphasized that there are currently no problems with the export of energy to Afghanistan, no real limits on the potential exports, just technical boundaries that could be overcome, such as the time to construct the plants and getting the transmission lines squared away.

¶5. (SBU) Orazguliyev noted repeatedly that the Turkmenistan side is committed to helping their "Afghan brothers" with low-cost or no-cost energy, and that this was a priority of President Berdimuhamedov. He also noted that, while Afghan energy expertise was relatively low, as well as their infrastructure, more and more Afghans are graduating from Turkmenistan's Energy-Technical Institute in Mary. This year, eight will graduate, but in upcoming years there will

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be more and more, all thanks to the support of President Berdimuhamedov.

¶6. (C) In terms of more regional integration and energy sales, Turkmenistan already has commercial agreements with many countries, ranging from Tajikistan to Turkey. He noted that it is technically possible, and under discussion, to transmit to Pakistan and India in the near future. When asked about the Soviet-era unified electrical grid for Central Asia, and Turkmenistan's participation, the Minister noted that they continually consider how best to tap into this system, based on bilateral agreements and their own commercial needs. For example, this winter they agreed to send electricity to Tajikistan via Uzbekistan at deeply discounted rates by using this structure. However, it is not a permanent arrangement; rather, Turkmenistan uses it when it makes commercial sense to do so. In that sense, the USAID REMAP program is still being studied by the Turkmen side, at the Cabinet of Ministers, to see if Turkmenistan should be more fully integrated into the scheme. The Minister seemed positive about this, but it is clear that the decision will be made at a level above him.

¶7. (C) Turning to renewable energy and a USAID proposal to conduct a study tour, the Minister noted that the Turkmenistan side is very interested in renewable energy, and has received a number of invitations, especially from Europe, specifically from Germany, to study renewable energy systems there. The Minister observed that they have to be selective because if they sent experts on all the tours that were proposed, soon there would be no more experts left in the country. Again, the Minister himself seemed positively inclined, and had forwarded the proposal to the Cabinet of Ministers. (NOTE: Based on an exchange in Turkmen with an assistant, who clarified details of the proposal for the Minister, it seems the Foreign Ministry may be holding up the program. END NOTE). Turkmenistan is especially interested in solar power, as that is an area where they have abundant resources. Wind and geo-thermal power are also possibilities. However, he noted that such systems take significant up-front investment and take several years before they actually recoup the initial outlay. He queried a Department of Energy representative in the meeting about the amount of electricity from renewable sources in the United

States and about the approximate distribution across different types of renewable energy.

¶8. (U) The Minister summed up by repeating his refrain that the Ministry actively fulfills the President's orders: "He asks to reduce emissions from the power plants, and we do it. He asks to improve the power output, and we do it. He asks us to reduce our gas use, and we do it. All our indicators are excellent."

¶9. (C) COMMENT: While there was nothing new in this meeting, Minister Orazguliyev was strikingly on top of all the issues and seemed surprisingly forthcoming, rendering his opinions on the potential for cooperation with Afghanistan and throughout the region. He seemed relaxed, in control and completely engaged rather than simply reciting governmental talking points. END COMMENT.

¶10. (U) DAS Krol has cleared this message.
MILES